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The Book

By
An Optimistic Pessimist.





The Nut Cracker

by

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An Optimistic Pessimist.

George H. Gilbert



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*“The fault, dear Brutus, is not
in our stars, but in ourselves, that
we are underlings.”*

THE NUT-CRACKER.

PART I.

WHICH IS A CATECHISM FOR UNCLE SAM'S
CHILDREN.

Q. What is CONSCIENCE?

A. Conscience is that faculty in man which measures right and wrong by the standard of personal desire. The Conscience is wholly a cultivated faculty, and can almost be classed among the fine arts, inasmuch as it is the product of artistic construction and calls for the exercise of ingenious imagination. A well-trained Conscience is greatly to be desired, for in a high state of culture it is most useful to an individual in justifying and reconciling himself to acts which those with the faculty more crudely developed might characterize as avaricious, dishonest, or even wicked.

What seems a paradox is that some people entirely eliminate the faculty from their character and obtain the same results. But it is more esthetic to retain and cultivate the Conscience.

Q. What is HONESTY?

A. Honesty is a relative term, elastic to an unlimited degree. It means a disposition to keep within the law in your business transactions, but, if the needs of the business require, have the laws framed to cover the point.

Q. What is HONOR?

A. Honor is a fine sense of what is right and wrong in matters of integrity and conduct. Ordinary persons are not capable of perceiving the nice distinctions which come within the scope of this word; they can only be intelligently grasped by the few men with highly cultivated consciences.

Q. What is CONSERVATISM?

A. The stumbling-block of progress. Often a synonym for cowardice.

Q. What is COMPETITION?

A. Competition in one way partakes of the nature of a physical body; it is mortal. Advancing through the periods of healthy youth and lusty, vigorous manhood, it passes at last into the "sear and yellow leaf." Competition in its prime was the life of Trade; in its old age it is the "old man of the sea" about the neck of Trade.

Q. What is the TRUST?

A. The Trust is the child of Competition; a Frankenstein, whose greatest object in life is to destroy that which gave it birth.

Q. What is a DOLLAR?

A. A Dollar is 23.22 grains of a yellow metal called gold; changed by legislation from 371.25 grains of a white metal called silver. It is an arbitrary unit of value that in the early days of this Nation served the purpose for which it was created, but when statesmanship became obsolete, and politics became the operating method of government, it was resolved into a manipulating force to serve the ends of a few people with highly cultivated consciences.

The method of its use is extremely humorous and paradoxical. Being but a theory, it is declared by the men of highly cultivated consciences who control its application, as an actuality; that instead of being merely a figure of speech to represent the commercial relation between two commodities, it is in *itself the standard of value*, its intrinsic worth forming the basis of value of all other earth products, forces, and the energies of man. The gold product of the earth compared with other products, forces, and the energies of man, is about

as 1 to 1,000,000,000,000,000,* and in applying the maxim "things equal to the same thing are equal to each other," it can be readily seen that the controllers of the Dollar *also control all other earth products, forces, and the energies of man.*

Q. What is MONEY?

A. Money is certificates engraved upon paper or metal, issued by law and exchangeable for dollars. A dollar is 23.-22 grains of gold, and gold is the basis of *all* value. Gold itself is not money. But as Money is exchangeable for gold, and gold is the basis of all value, money, therefore, is used as an exchange medium in the transfer between individuals of all other values, such as earth products and forces, and the energies of man.

There is an old axiom that says, "the whole is greater than any of its parts;" and also, "the sum of all its parts is equal to the whole." But these axioms do not apply to money, for a recent Treasury statement of the United States showed the quantity of minted gold in the United States to be \$785,041,648.00, and the Money which had been issued by the laws of the United States to be \$2,461,839,515.00. So in the instance of Money we have an exception to those axioms which are termed self-

*These figures are not exact—only approximate.

evident truths. If the same exceptions could be taken in physical measurements it would be possible to operate one hundred acres of farm upon a ten acre garden patch.

Q. What is meant by GOLD RESERVE?

A. The Gold Reserve is the gold on deposit in the U. S. Treasury to redeem \$1,676,797,867.00 of outstanding excess obligations. While the amount of gold on deposit remains at \$100,000,000 the finances of the country are safe, but if the amount of this Gold Reserve ever falls below \$100,000,000 the value of the nation's currency is jeopardized, and financial ruin stares every citizen in the face.

Q. What would be the result if the GOLD RESERVE would become exhausted?

A. The result can be likened to that of a man who owes a demand note for \$16.00, and, having \$1.00 with which to pay the debt, should lose the dollar.

Q. What is a REPUBLIC?

A. A Republic is a board upon which the game of politics is played.

Q. What is meant by POLITICS?

A. Politics is a game played for the amusement and profit of the controllers of

the dollar. The peculiar feature of this game is that all people, except the controllers of the dollar, are possessed by an hallucination that they are factors in directing the moving of the pieces, when in fact *they are only pieces to be moved.*

Another peculiar feature of the game is that, no matter what phases the game may assume to the ordinary mind, the result to the controllers of the dollar *is always the same.*

Q. What is meant by STATESMANSHIP?

A. Statesmanship was the art of guiding or directing the affairs of the commonwealth to the end that the greatest number of individuals would be benefited by the progress made by the commonwealth. Statesmanship, however, is now merged into politics, which is the direct converse of Statesmanship, the *fewest* number receiving *all* the benefits derived from the progress made by the commonwealth. The term is still used by a few people, either by force of habit or through ignorance, but it has no application.

Q. What is a STATESMAN?

A. An extinct class of the *genus homo*. Degenerated into politician.

Q. What is a POLITICIAN?

A. One of the pieces in the game of politics. He moves three-cornered, like the knight on a chess-board, and it is a difficult and intricate matter to keep track of his moves. There are different degrees of the Politician, each one of a certain degree controlling the movements of the one in the next lower degree.

Q. What is JUSTICE?

A. Justice is giving to every individual exactly what he deserves. The only persons competent to determine the merits or demerits of the individual are those persons with the highly cultivated consciences who control the dollar, and by or through them is Justice administered.

Q. What is LIBERTY?

A. Liberty is the state of being exempt from the domination of others.

Q. What is FREEDOM?

A. Freedom is the state of being privileged to follow one's own inclinations, views, desires or choice.

Q. What is meant by LAND OF FREEDOM AND LIBERTY.

A. A Land where a few people with highly cultivated consciences, by controlling the money of the Land, can exercise a com-

plete domination over the actions and lives of the masses, and thus secure for *themselves* Liberty and Freedom.

Q. What is meant by THE MASSES?

A. The great body of people exclusive of the wealthy or privileged class. The wealthy or privileged class when contemplating The Masses drop the letter M.

Q. What is a PATRIOT?

A. The term Patriot is applied as a reward of merit to individuals who carry the banners, shout, and expend their energies in serving the will of the few men with the highly cultivated consciences who direct the movements in the game of politics.

Q. What is a SOCIALIST?

A. Any human creature who speculates upon the causes that produce upon him the effect of hunger and want. All such creatures are dangerous to the community and should be incarcerated for life in the deepest dungeons.

Q. What is a WORKING MAN?

A. The Working Men ostensibly are the bulwark of our national greatness; in reality they are the serfs that bear the burdens of the men with the highly cultivated consciences.

Q. What is meant by the term SELF-MADE MAN?

A. This term is a misnomer. There never was a Self-made man. It may be flattering to an individual's egotism to assume that himself was the sole factor to the accomplishment of success, but an analysis will show that Time, Place and Opportunity were each indispensable factors and each more essential to the result than the efforts of the individual. So the "Self-made" man is at best but a fourth partner in the title.

Q. What is understood by the word ROBBERY?

A. Robbery is the taking, without claim or right, the goods of another. Robbery is a crime or a credit according to the magnitude of the transaction. For one in need to take furtively from another in order to supply that need, is a crime, and is punishable by imprisonment of the offender; for one not in need to take from thousands of needy ones, by systematic procedure, in order to increase his own possessions, is a credit, and entitles the perpetrator to receive the highest distinctions conferred by society. This latter proceeding, too, is not termed Robbery, but business sagacity.

Q. What is a FINANCIER?

A. A Financier is a creature of the *genus homo* that is animated by the re-incarnated spirit of a *discophorous annelid*. The functional activities of the Financier are to feed, according to the methods of the family to which the spirit formerly belonged, upon the body of Industry and Commerce.

Q. What is a BROKER?

A. A Broker is a man who takes your money and charges you a price for taking it; gives it to another and charges him a price for the giving.

Q. What is a PROMOTER?

A. A Promoter is a peculiar cross between a financier and a broker. Instead of a blending of the characteristics of each, the result of the "crossing" is a hybrid, displaying the characteristics of both in a distinct and exaggerated form.

Q. What is MORALITY?

A. Morality is the system of regulating the conduct of one individual toward other individuals and toward the Higher Power of the universe. The code of Morality is dependent upon the whims of fashion, the leaders of which are those persons with highly cultivated consciences who control the dollar.

Q. What is a PHILANTHROPIST?

A. A Philanthropist is one who sympathises with and endeavors to help his fellow-men after having spent his life in acquiring wealth at their suffering and expense. The impulse which actuates a Philanthropist is that of atonement—not through regret for acts performed, but through fear of punishment and hope of reward hereafter. His philanthropy usually consists in giving away what he has ceased to have use for himself.

Q. What is POVERTY?

A. According to Andrew Carnegie, the multi-millionaire philanthropist, Poverty is a "blessed heritage," and is the prime essential—corner-stone, so to speak—of wealth. This definition, fixed by the great philanthropist, will bring joy and happiness and a golden beam of hope to millions who have been long under the influence of a suggestion that Poverty meant something else.

(NOTE.—Now that the great philanthropist has made Poverty a blessing instead of a curse, it is hoped that he will also change the definitions of Hunger and Want, so that the richness and beauty of Poverty will not be marred by these ugly demons of distress.)

Q. What is TALENT?

A. Talent is a faculty or gift for superior achievements in any special capacity.

It is considered a commodity, the value of which depends not on intrinsic merit alone, but upon the ability of the possessor to stifle the impulses of old-fashioned honesty, virtue and morality.

Q. What is GENIUS?

A. Genius is the peculiar aptitude which one may possess for obtaining a commercial market for mediocre attainments.

Q. What is a SENATE?

A. A Senate is a club room for the favorite servants of the men with the highly cultivated consciences who control the dollar. Many of these conscientious men also hold membership for themselves in the club, although it is somewhat discreditable to their dignity; but the best of servants must be watched—and especially the kind that move three-corner-wise.

Q. What is a REFORMER?

A. A Reformer can be likened to a man who in the month of January tears off the leaves of his calendar until the July month appears and then goes about proclaiming it is July.

Q. What is the difference between a FANATIC, an ENTHUSIAST and a PHILOSOPHER?

A. Time and Conditions. When a man discovers a Truth and gives it to the world, he is termed a FANATIC, and is ostracised by all men; later, when a small minority has accepted this Truth, he is deemed an ENTHUSIAST, and is mildly tolerated by the world in general; years after he has departed this life, when the majority of mankind has accepted his discovered Truth, he is designated as a Philosopher, and monuments are erected to his memory.

PART II.

Where the Book Really Begins.

Chapter I.

A DISSERTATION; DRY, PERHAPS, BUT NO
APOLOGY IS OFFERED.

The trend of thought of the present day is largely toward the amelioration of mankind, and the great minds now, instead of demonstrating the "survival of the fittest" theory, are endeavoring to make conditions such as will fit the greatest number to survive. For this purpose, also, we have societies whose objects are the uplifting of mankind, mentally, morally, physically and socially; and to this end philosophers, thinkers and the powerful press—the daily newspapers and the literary journals—are devoting their energies.

As a result there is a great levelling process going on which is surely raising the standard of intelligence of the mass of humanity, and to-day there are fewer indi-

viduals who tower so enormously above their fellow-men as to occupy a plane solely by themselves. To-day the man of mediocre attainments, the average man of the mass, is wiser by many degrees than the learned man of a century ago.

Modern inventions have revolutionized the world, and the greatest accomplishment has been the perfecting of a system of rapid communication, unhampered by distance, thus furnishing a means of expeditious and thorough dissemination of knowledge. And this generous dissemination of knowledge has been a powerful foe of superstition. With superstition out of man he recognizes the equality of the species, and with the increase of his intelligence the recognition of the rights of the individual becomes more and more pronounced in him.

The highest development of man, the absolute perfection of the species, would be an harmonious blending of the animal, emotional and intellectual attributes, and a relationship toward one another that would mean equal and exact justice to all. And this condition will ultimately be reached through the process of evolution, if no physical change in the earth itself interrupts the process. The movement of evolution is, compared with man's three-score years

and ten, exceedingly slow, but to-day, with the increased facilities for the promulgation of ideas, a truth can be inculcated into a race of people in less than a generation; and each truth made clear and manifest is one more step toward perfection.

The more advanced people of the world to-day are self-governing. Autocracy and hierarchy are being expunged by the emancipation of man from the slavery of Anciently Conceived Opinions. But this self-governing, which is a recognition of the rights of the individual, is now confined almost wholly to political conditions and freedom of thought, while the right of the individual to independence in matters pertaining to his financial welfare is still but a theory.

Humanity owns the earth because there is nothing to dispute this right. Among the individuals who make up the mass of humanity are a few, who, by reason of superior mental or physical powers, or by inheritance, or fortuitous circumstances, become possessed of a larger portion of earth's substance than would be theirs under an equal distribution among all mankind. And this excess of possession or ownership on the part of a few means a deficiency among the masses.

As there are relative values to earth's substance and forces, there is one word

which may express in a general way all classification of whatever is ownable—the word Wealth.

The source of wealth, therefore, is from the earth itself or the elements surrounding the earth; and these earth forces are inexhaustible, indestructible; they may be manipulated by man so as to increase wealth to an unlimited degree, and by possession of this wealth is man's happiness and comfort increased, while a lack of it produces discomfort, unhappiness, suffering.

While enlightened nations are conceding to the individual equal rights in a certain degree, and humanitarians with pen and tongue are urging the further recognition of the rights of the individual, the fact remains that the distribution of wealth among the inhabitants of the globe is sadly disproportionate and not at all in accordance with the doctrine of Equal and Exact Justice to all. And while we have no towering intellectual giants to-day, we have financial giants occupying a higher plane above the mass of humanity than ever before in the history of the world.

And great possession seems to create in the possessor a desire for still greater wealth in direct ratio to the increase of that wealth. And this desire leaves no room for the recognition of the rights of other individuals to possession (except the wealthy individuals), but demands to obtain all the wealth possible, even striving to the full absorption of the possessions of other individuals, and compelling them also to pay continued tribute forever thereafter by utilizing and controlling their energies.

To make this condition still more forceful, those who have gained a surplus form alliances for the express purpose of controlling and monopolizing in the hands and for the benefit of the few, the labor of the many, and the price and output of necessary commodities.

All business enterprises of great magnitude are controlled and operated solely by individuals who possess large means, and in the operation of these enterprises the operators add many per cent. annually to their already surplus wealth.

And the masses of the people contribute to swell the fat purses of the men of wealth without receiving the slightest proportion of the benefits themselves.

For instance: The fares paid on street cars (which in New York City alone

amounts to about \$100,000 per day), railroads, and to other transportation mediums, go into the coffers of the wealthy few who control the system. The gas and coal bill—in fine, nearly every penny you pay out for any purpose whatever, some part of it, and often the greater part, goes to pay tribute to some combination of wealthy men.

And the men of wealth, combining their forces, can gobble all opportunity, and easily crush any individual who might endeavor to reach out and gain for himself a higher place in the world.

The common people—professional men, shop-keepers, mechanics and wage-earners, have no financial interest in and receive no part of the large profits earned by the great corporations that control the industries of the land. And yet these same common people by their contributions furnish all the profits.

With these powerful combinations in operation it would almost seem that instead of advancement toward the goal of Equal and Exact Justice to all, the march of progression is toward the absolute suppression of individualism in the masses.

But evolution works slowly and with a purpose. The period will arrive when, if conditions do not peacefully change, the masses, who obtained political equality

through revolution, will revolt at the unequal distribution of wealth, overthrow the present system and substitute a new one which operate toward the elevation of the mass of humanity and the levelling of the financial giants.

But this can be accomplished without revolution. The method is simple and if put into vigorous operation would bring about a most desirable and happy result.

However, before suggesting a way out of this seeming "Slough of Despond," let us briefly review a few of the great institutions that absorb the earnings of the masses for private gain.

AN INTERLUDE.

One Million Dollars.

That is easily expressed in words, for it is a very common utterance in these days of Trusts, but to comprehend the meaning is more difficult.

One can easily understand One Thousand Dollars, for that means one or two years of labor at ordinary rates.

One Million Dollars, then, would mean one or two thousand years of labor at ordinary rates.

That is, One Million Dollars would pay the average man his regular salary from the time the Saviour was on earth to the present day.

Now do you know what a Million Dollars is?

A Billion is One Thousand Million.

Chapter II.

RAILROADS.

The assets of the railroads in the United States, according to Poore's Manual, in 1898 were, Eleven Billion, Seven Hundred and Ninety-seven Million, Four Hundred and Ninety-seven Thousand, Two Hundred and Thirteen dollars!

Can you grasp that?

Here it is expressed in figures:
\$11,797,497,213.00.

The total earnings of the railroads in the United States during this year were, \$1,125,632,025.00

The operating expenses were, 793,298,269.00

The net product was, \$ 332,333,756.00

There are two questions that may be asked here.

The first is, Who owns the railroads?

The second is, Who supplies the earnings?

Answer to No. 1: Combinations of wealthy men who have become wealthy by utilizing the wealth which the producer creates and for which the producer receives a bare permission to live. Through the manipulation of money, concentrated in banks and trust companies, deposited there

by business men in the course of their daily business transactions, and the small savings of the wage-earner, some shrewd persons have become enormously wealthy, even to owning the entire control of railroads.

Answer to No. 2: All classes of humanity that engage in any avocation whatever, pay tribute, directly or indirectly, in a greater or less degree, to the railroads.

What proportion of that \$332,333,-756.00 do you get?

The logical deduction from the above statement is this: The average man toils with hand and brain for greater or less remuneration, but the earning power of the dollar which he produces by his labor is employed to enhance the wealth of a few already wealthy men, and to build up enterprises in the profits of which the producer does not share, and toward the profit of which he further contributes.

Chapter III.
LIFE INSURANCE.

The segregated reports of fifty-seven principal life insurance companies in the United States show assets of One Billion, Two Hundred and Forty-three Million, Five Hundred and Sixty-one Thousand, One Hundred and Eleven dollars !

Can you grasp that ?

Here it is expressed in figures :
\$1,243,561,111.00.

The total income of these companies from all sources during the past year was, \$283,726,855.00

The total expenditures for all purposes, including payments upon policies, \$50,000 annual salaries to presidents, and all other extravagancies were, 202,543,118.00

Leaving a yearly increase of assets of, \$ 81,183,737.00

Four questions may here be asked.

The first is, Who created these vast assets ?

The second is, To whom do these vast assets belong ?

The third is, Who enjoy the great profits derived ?

The fourth is, Of what do these vast assets consist?

Answer to No. 1: They are created by thousands of individuals contributing a part of their capital thereto.

Answer to No. 2: They belong to the stockholders of the companies. You may have a policy which is a contract between you and the company, in which the company agrees to pay you a certain sum of money under certain conditions. They are able to carry out their part of the contract for you supply them with the means to do so.

Answer to No. 3: The "inner circle," of course. You are not in that. They profit by your contribution to their income; if you default in your contribution they profit by that also, for your claim (if anything) is less than what you have paid and the money earned.

Answer to No. 4: Largely of bond and mortgage upon real estate at 60 per cent. of its value, and stocks and bonds of large monopolistic corporations.

The logical deduction from the above statement is this: You contribute of the dollars you earn to furnish additional capital to advance the interests of the trusts and monopolies that are depriving you of the opportunity to advance.

Chapter IV.

FIRE INSURANCE.

The principal fire insurance companies in the United States in 1898 were represented by a gross capitalization of \$72,-146,896.00.

Their assets this same year were Three Hundred and Eighty-seven Million, Six Hundred and Forty Thousand, Four Hundred and Eighty dollars!

Expressed in figures that is, \$387,-640,480.00.

The cash receipts of these companies during the year, from all sources was, \$176,654,429.00

Paid fire losses, \$78,929,861.00.

Paid other expenses, 56,899,546.00.

Total paid out, 135,829,407.00

Receipts over and above expenditures, \$ 40,825,022.00

Pretty comfortable business, that; assets five times the amount of the capital stock, and the capital stock having an earning power of about fifty-five per cent. per annum in addition to the nice fat salaries which alone would be enormous dividends upon the capital invested. The companies

may dispute this view of the matter and say that the excess over and above a modest dividend paid to the stock is an asset of the company to guarantee the meeting of obligations incurred through losses by fire. But suppose that these companies would quietly, without saying a word to any one, write no more business. It is here shown that the premiums received any year more than pay all losses and operating expenses, so the premiums received during the last year of the companies' business would pay all obligations, and who, then, would own the assets?

Don't you wish that you were in the fire insurance business?

Did it ever dawn upon you that you *might* be in the business if you would only make up your mind to that effect? Not through "anarchy," or robbing any one else of his possessions, but simply because of your citizenship.

Chapter V.

SAVINGS BANKS.

According to Government reports there are 980 savings banks in the United States; 5,385,746 persons deposit money therein, and the gross of these deposits amounts to Two Billion, Sixty-five Million, Six Hundred and Thirty-one Thousand, Two Hundred and Ninety-eight Dollars!

Expressed in figures that is,
\$2,065,631,298.00.

The savings bank is the most popular institution among the masses of the people of this age, as demonstrated by the fact that about one out of every five persons engaged in business or labor is a patron thereof. That savings banks are beneficial in a way, is very true, but what does the patron receive upon his modest accumulation? Two and one-half, or, at the most, four per cent. per annum.

This accumulated capital is put to work by the bank, and the nice fat dividends which allow the stockholders to live in fine houses, wear elegant apparel and enjoy life at its best, is the result of the hard, persistent toil and energy, economy and self-denial of you who are "laying by

for a rainy day." And when that "rainy day" comes, your poor accumulation vanishes like snow before a summer sun; but the stockholder gets his dividend just the same, for your proportion of the bank's accumulation, while it helps to make up the aggregate, is utterly insignificant when compared with the whole.

Would it not be fairer for the bank to say to you, "Put your money in this bank; we will use the capital thus accumulated to make it earn as much as possible, consistent with safety, and we will pro rate the net earnings among all depositors"?

But will they ever say that, much less do it?

Chapter VI.

TRUSTS.

According to the best estimates obtainable up to January 1, 1900, the Trust organizations of the United States are represented by a capitalization of more than Eight Billions of dollars—Eight Thousand Millions—\$8,000,000,000.00!

As the total wealth of the United States represented by industries is about \$33,000,000,000 this puts one-fourth of all the industrial wealth of the United States under the domination of Trusts; and the Trust stock is held by a very few people. Probably within three years *all* industries in the land will be absolutely controlled by the Trusts.

And then what?

Is Democracy drifting into Plutocracy?

Perhaps.

Chapter VII.

OCCUPATIONS IN THE UNITED STATES.

The specific institutions cited in the foregoing chapters were selected to comment upon simply because their operations are the most familiar to the masses of the people, and the only purpose of the comment is to illustrate that while the masses spend all their time in the struggle for existence, by that *same struggle* they are keeping a few shrewd manipulators in luxurious plenty.

Now, the various fields of industry of the United States are occupied as follows:

Agriculture, fisheries and mining,	10,800,000
Professional service,	1,150,000
Domestic and personal service,	5,400,000
Trade and transportation,	4,000,000
Manufacturing and mechanical industries,	6,100,000
	<hr/>
	27,450,000

Financiers, including stock and money brokers, 33,200

The average income of these Twenty-seven Million human beings is \$550.00 each per annum, out of which they must

live, support their families, and enjoy life as best they can. The average income of the Thirty-three Thousand financiers is (—?); and many of them are greatly puzzled in their efforts to discover new luxuries to gratify their senses. The 27 Millions are, indirectly, furnishing the luxuries to the 33 Thousand.

A philosophic writer says:
 "Every human being should be free—it is his birthright—free as though he were the only living being on earth; and the only object of society aggregates should be the advantages derived by each individual from the progress made by society as a whole."

This is an unquestionable truth, but here is a spectacle of a society aggregation where TWENTY-SEVEN THOUSAND THOUSANDS are devoting their energies for the privilege of life for themselves and extravagant luxury for Thirty-three Thousand!

The compensation of labor should be the product thereof—as was Robinson Crusoe's; but under our present system 33 thousand get the product and 27,000 Thousand get—what? Some a fair living, but more a crust of bread, a beggarly garment, a miserable couch, and a final resting place of six feet by two of soil.

Chapter VIII.

FRANCHISES AND WATERED STOCK.

Just a few words upon this subject, *a propos* to previous statements.

The State or Municipality authorities grant to individuals certain privileges to conduct business operations with the public, such as street railways, gas and water supply, etc. These privileges, called franchises, are granted for the ostensible purpose of serving the public; for it is the people themselves who own these privileges, and their interests are paramount to any other; and the individuals receiving the franchises pledge as a consideration that they will faithfully serve the interests of the public, at whose hands they receive the privileges asked for.

I will recite in a few words, without entering into the detail of the methods, the course pursued by the franchise owners.

Assume that the franchise is for a street railway system in a large city, the construction of which is estimated at \$5,000,000. The franchise owners at once issue \$5,000,000 of stock and then borrow upon it, at a low rate of interest and for a long period of time, enough money to build the road.

The road is in operation, and at the rate of fare charged the earnings are sufficient to meet all obligations, including sinking fund, and pay, say, ten per cent., dividends upon the capital stock. As money is only worth four or five per cent. this makes the stock worth 100 per cent. more than its face value. Therefore, by cute manipulating methods, \$5,000,000 more of stock is issued and sold to the public at par—for will it not pay five per cent. annual dividends?

This process is of the same effect as if you would take a dollar bill and split it in half, and not only call each half a full dollar, but pass it out as such.

The business increases and the earnings pay all obligations and net ten per cent. on the \$10,000,000 of stock. Again by shrewd (?) manipulation the stock is "watered" \$10,000,000, which is also sold to the public at par. And there is no end to the possibilities of continued "watering."

The public that supports this railway pays its earnings. If the public owned the railway, when it arrived at a liberal paying basis the rate of fares would be cut down; and when, under such reduced fares, it again began to create surplus earnings, the fares would be further reduced.

Why do the private franchise owners

"water" their stock? Because, if too great an earning power were shown, the public might demand their rights; therefore it is wise to keep increasing the capital stock (which does not add to the actual capital invested in the franchise), so that it may appear that the earning power of the franchise is five or six per cent. on the stock, and not fifty or sixty per cent. on the actual capital in use.

The business increases and the earnings pay all obligations and net ten per cent. on the \$10,000,000 of stock. Again "watered" \$10,000,000, which is also sold to the public at par. And there is no end to the possibilities of continued "watering." The public that supports this railway pays its earnings. If the public owned the railway, when it arrived at a liberal paying basis the rate of fares would be cut down; and when, under such reduced rates, it again began to create surplus earnings, the rates would be further reduced. Why do the private franchise owners

Chapter IX.

ILLUSTRATING WHAT TRUSTS CAN DO.

An editorial in the New York Journal of February 12, 1900, says:

“The Standard Oil Company, owning or controlling most of the terrestrial oil laboratories, increased the price of oil some time ago one cent upon every gallon drawn from the earth.

In January the price was 11 cents. Many stores are now charging 12 cents, and there are indications that before the end of the year a further increase will be tacked on. At present, however, the increase over the price of two years ago is about three cents per gallon—the price of an old style postage stamp.

That does not sound very formidable. The poor consumer will continue to pay it without question. But let us see what it means to the Standard Oil Company.

The total yearly output of the company is, approximately, 1,700,000,000 gallons, of which 850,000,000 gallons are sold in the United States. In raising the price of oil from 9 to 10 cents, therefore, Mr. John D. Rockefeller taxed the poor consumers of this country \$8,500,000 a year. A raise to 11 cents means \$8,500,000 more,

and a further raise to 12 cents means a total of \$25,500,000 a year on Mr. Rockefeller's oil sales in this country alone.

Double this for the foreign sales and you have the neat sum of \$51,000,000 a year poured by the poor people of the world into Mr. Rockefeller's coffers. The Trust has just declared a quarterly dividend of 20 per cent.—\$20,000,000 profits for three months; \$80,000,000 a year.

In the meantime the world's great army of workingmen—the ground moles who dig coal, the hard-handed toilers in jumpers and dungarees, men of myriad lines of labor—dig on, sweat on, starve on, not realizing that by paying a few cents additional for their meagre nightly light they are putting into the hands of their greatest enemy a two-edged sword, to be turned against them at every opportunity.

But what can the people do?"

Then follows the usually prescribed newspaper remedy, which is, of course, political interference. But that is *not* the method of cracking the nut. The "Journal" itself in smashing the Ice Trust had to use the hammer of its own individual effort. Had Mr. Hearst waited until he could have coaxed or driven the political powers to act, no results would have been accomplished.

Chapter X.

MEDITATION. CONTEMPLATION. DE- LIBERATION.

What do you think about this condition, anyway?

You travelling man, who have just been "let out" because your firm has "gone in" to the Trust?

You book-keeper, who are wearing out your eyes and paralyzing your wrist for fifteen dollars per week, and no chance to ever be anything better than you now are?

You clerk, who stand behind the counter and take the insults from every body for the sum of twelve dollars (or less—usually less) per week, and no hope for the future?

You small merchant, who see your profits becoming daily less and your trade daily shrinking because of the department stores and the combinations that dictate your buying and selling price?

You farmer, who must take whatever market for your product that is offered you by the Trusts?

You miner, who do not know when the Trust will order the "works" which now provide you with black bread and

oleomargarine shut down, and thus bring you face to face with starvation?

You factory hand, who are standing on the ragged edge of fear that each week may be your last to have the work which allows you merely to keep life in your body?

You mechanic, who keep guessing between jobs what you are going to do next?

Does it not seem to you as if the Sun of Opportunity had set forever?

What DO you think about it, anyway?

Let us reason together.

The facts are as stated; we can't dodge or deny them. No amount of Christian Science can make us believe that this condition is only in our mind.

There is no hope of adjustment through legislation, for legislation is controlled by the money power, and one set of politicians is just as rascally and just as purchasable as another set.

The present conditions were brought about by the action of commercial forces, and through commercial channels alone can the condition be changed.

The product of your labor is supplying sufficient means to provide with the comforts of life every man, woman and child in America; to keep each individual from

want and its attendant cares and worryment. You are the direct factors to the production of all wealth.

But Labor is not the *source* of wealth; it is the applied force to animate wealth that is dormant or inert. Blakely rightly says:

“Capital properly invested, and labor judiciously directed, lay the foundation of National wealth and social prosperity.”

If the industries and resources of this land were owned by the whole people and not by a few individuals, the division of the proceeds over and above an equitable percentage paid to direct labor utilized in the development and operation, would be distributed among the whole people, each individual receiving such proportion as his individual interest would bear to the whole.

This is so, is it not?

Then why not own them?

Your labor builds the industries; your labor supports the industries after they have been built. Then why not own them? They are your children.

It is not impossible. Corporations and Trusts have pointed the way.

PART III.

Which Explains the Title of this Book. .

HOW THE NUT MAY BE CRACKED.

Organize a Corporation of the PEOPLE. In this Corporation place as much of your earnings as you can spare from your daily necessities. These deposits will represent your ownership in this Great Corporation.

This corporation must utilize existing methods in conducting its business operations, employing the same factors that other financial and industrial institutions employ, and establish a rule of forfeiture, something like obtains in building and loan associations and life insurance companies; a very moderate one that will work no hardship to any person, but will be sufficient to bear the expenses of conducting the business until it gets fairly established.

Establish agencies in every city, town and hamlet in the United States for the gathering of the fund, the same as fire insurance companies do. It may be that those who are now "out" because of the present conditions would make good agents.

Get out a line of literature that will appeal to the business sense of all men. There is no necessity for adopting any radical or unusual plan, but follow strictly the lines that have made other corporations successful.

Remember that it is the volume of money that gives the power. One million persons, out of our seventy-five million of population, averaging a payment of five dollars each per month into such a Corporation, would give the Corporation an operating fund of \$60,000,000.00 per year; five million people paying at the same rate would be creating a fund for the Corporation at the rate of \$300,000,000.00 per year, and it would not be long before every industry in the land would be absorbed.

If the money now represented by the savings bank deposits (some two thousand millions of dollars) were centralized in some such Corporation as the suggested one, it would be the greatest power on the face of the earth. And if such a Corporation as the suggested one were actually in existence, and in operation, how long would it be before the savings bank depositors would draw out their accumulations and place them where they would participate in *ownership* as well as in the *profits* of the institution that handled their money?

How about the management? Would it not be unwieldy?

Not at all. In the first place the headquarters of this Great Corporation should be in New York City, for there is the fountain-head of commerce and finance in the United States.

In New York the annual stockholders' meetings would be held. From each community from Maine to Texas, from Oregon to Florida, would come a delegate to these meetings, carrying with them the proxies of the stockholders in their respective vicinities.

These stockholders' meetings would partake of the nature of an Industrial Congress, and would soon become affairs of National importance. At these meetings the Board of Directors for the ensuing year would be elected; the situation of affairs commercial throughout the entire country would be discussed, and resolutions passed to be acted upon by the Board of Directors:

The charter should be framed so as to prevent investments in any business of a gambling nature; the funds of the Corporation to be only used to develop and operate enterprises of a strictly legitimate nature, the profitable character of which could be absolutely determined by careful

and thorough examination; and these investments should be in the hands of a special Investment Board whose duty it would be to examine all propositions and pass judgment upon them.

But that is merely a matter of detail. The outline of the plan will suffice to show its feasibility and practicability. The time is now ripe for the *people* to quietly organize and take the Trusts into their own hands. It only needs the "doing of it."

Let the Charter of this Great Corporation be to the people of to-day as powerful a document in procuring for them financial independence as was the Magna Charta to the people of England in securing to them freedom from political slavery.

Let the motto be this :

"Let us have construction, not destruction. Let our aim be, not dependence upon, or independence of, any person or thing, but inter-dependence with all persons and everything."

Let the inscription upon the adopted emblem be :

"Opportunity, Prosperity, Independence."

Let the first steps toward the fulfillment of this plan be taken during 1900, and the new century will dawn radiant with hope.

A POEM OF INDUSTRY.

By Ella Wheeler Wilcox, in New York "Journal."

Said the Monster Trust, "I am born of Lust,
 And a lustful horde I lead;
 My dam was Desire, and my lawless sire
 Is known in the world as Greed.
 At the hour of my birth there was sorrow on Earth;
 Toil covered her face and wept,
 And Progress stood back, as I rushed down the track,
 And blind-fold Justice slept.

"Like a mountain of snow I grow and grow,
 As the millionaires push me along—
 They sing at their labor and crush their neighbor
 Down under my weight with a song.
 For the little men must make room for the Trust;
 They must give me the right of way,
 It is folly to fight with a thing of such might,
 And a thing which has come to stay.

"As I roll on my path I leave sorrow and wrath,
 And poverty, hunger and cold,
 But the millionaires laugh and a bumper they quaff
 To the Trust, the great monster of Gold.
 But they push me too fast, and the Many, at last,
 The many who curse and rave,
 Shall seize me and bind me, and lo! they shall find me
 A willing and competent slave.

"Though I flatten the purses and win the curses
 Of thousands as I roll by,
 Yet the time draweth near, when in love, not in fear,
 Shall the laborer look in my eye;
 For the PEOPLE shall claim me, and men shall re-name
 me,
 Though born and begotten of greed,
 I yet shall befriend them, I yet shall defend them—
 Since only God's purpose can speed."



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